



BUSINESS
MANAGEMENT
SOFTWARE

3 MAJOR WASTES IN SNOW BUSINESS

HOW TO *IMPROVE* YOUR SNOW BUSINESS

Equipment, material and supply, and business operations all contribute to waste in your snow business. Here's how to improve it.



INTRO

No matter the size of the snow operation you run, we all have waste — costs that rob us of valuable profit and opportunity. There's simply **no better time to deal with it** than before the snow flies.

Waste is any process that does not add value to your customer. In snow and ice, our customer's value is simple. They pay us for safe lots, liability protection, snow removal or relocation (in some cases), and accurate billing. Almost everything else is a waste. How we get to their site, how we prep and fuel our trucks, where we pick up salt, how we pay our staff, how we track our vehicles during an event — all these processes are necessary for us, but they don't provide any value to our end-customers. Your customers will not pay you more than your competition because you have to drive further for salt. All they want to pay for is a clean, safe, professional-looking property.

Because we're busy and stretched for time, so many of us stop questioning the problems and waste in our business and accept them as the way we do business. Years slip by, and before we know it, we're surrounded by waste that nobody questions, much less try to find a solution. As you begin your preparations for the snow and ice season, question everything. Look at your business and all the time and money spent not serving your customers — then work to eliminate this waste. The process of removing waste is never-ending, but the journey will go a long way to ensuring your success.

Here are just a few examples of waste that eat at snow contractors' profits and potential rewards.

CHAPTER 1

EQUIPMENT WASTE

Equipment downtime:

When a machine goes down, a design-build project schedule might slip for a day or two, but there's no delaying snow and ice control. When your equipment goes down, your costs go up — and fast. You likely need to get the equipment to a dealer, wait in line behind the other 100 contractors needing an urgent repair, and then get the equipment back to the site. In the meantime, you've got to move replacement equipment to the site to complete the job, your labor costs are rising as you move equipment around, your staff is working longer and getting more tired, and your customers get frustrated.

Eliminate the waste:

The cheapest repairs are the ones that don't happen. Issue pre-and post-shift checklists to all operators that include preventive maintenance procedures.

Look beyond the sticker price when you purchase equipment. Instead, buy from dealers with great service departments who carry a large inventory of parts. A few lost days waiting for parts or repairs will cost your company much more than you'll save on the sticker price.

Train your staff on inspections and simple repairs. A small tool and parts kit and a pre-season meeting to show your team how to perform simple maintenance can help them fix minor issues before they start to cost you money.

Equipment utilization:

Unused equipment capacity is a big waste for many contractors who do snow in the winter and grounds maintenance in the summer. I see much expensive equipment parked in the summer, waiting for the next snow season to arrive.

Eliminate the waste:

The right equipment purchase could be doing much more for your business. For example, agricultural tractors aren't of much use for contractors in the summer. Instead, consider renting equipment for the snow season or buying construction loaders instead of farming tractors, which can be used or even rented out during the summer. Construction loaders cost more, but have more power, depreciate less, are more efficient at switching work tools, and are more useful in the summer months than a typical landscape contractor.



CHAPTER 2

SUPPLY AND MATERIAL WASTE

Material waste:

All you need to calibrate your salters is a scale, a bag or bucket, and a watch, and yet most snow and ice contractors don't make this simple investment in calibrating equipment. Improperly calibrated salters cause massive waste. Applying too much salt increases your material costs, while too little salt causes re-work, customer dissatisfaction, and potential liability problems.

Eliminate the waste:

Before the season hits, calibrate your salters to ensure proper application rates of salt and de-icing materials.

Estimating waste:

To price your work profitably, you have to be right on two sides of the same coin. You need precise quantities, and you need accurate prices. If you're not precise on both sides of this coin, you're losing money. Unfortunately, all too often, contractors go to great lengths to estimate quantities accurately, then watch all that accuracy go to waste by pricing those quantities incorrectly.

A loader or agricultural tractor, for instance, will have very different costs and prices, depending on who is using it. If Joe's Landscape bills about 200 hours per year on the equipment while Greentree Landscape bills 1,200 hours per year, it's highly likely that Greentree's costs per hour are less than half of Joe's. Joe may even be a little faster on the machine than Greentree, but if Joe tries to price his loader with Greentree's charge-out rate, he will be out of money and out of business quickly. For both companies to price work successfully, they must know their cost per hour to run that machine.

Eliminate the waste:

Use online tools to measure site areas (Google Earth, Bing Maps, findlotsize.com are some free examples):

Visit sites to look for obstacles, problems, historical issues, and other slow-downs that don't show up on overhead pictures.

Know your costs — especially the hourly costs of your employees (wages, burden, downtime, etc.) and the hourly costs of your equipment (including purchasing, repairs, insurance, fuel, utilization, etc.)

Know your company — your prices must recover your costs and your overhead and desired profit. Are you confident your expenses have got you covered?





CHAPTER 3

BUSINESS OPERATIONS WASTE

Systems waste:

Timely, accurate information ensures we pay our bills, our employees and invoice our customers accurately. However, time spent on these tasks is a waste. It doesn't add value to the customer. Entering information into our systems is a waste. Mistakes in processing this information are waste. Transferring this information from person to person is a waste.

Eliminate the waste: New technologies improve the accuracy and reduce the time (and people-hours) spent managing information — enabling your office to handle more work in less time and with fewer people.

Smartphone time-keeping solutions electronically track employee times and locations and instantly import data into accounting for payroll and/or job-costing. GPS fleet systems track vehicle locations, site service records and even monitor driving habits. One person and a screen can manage route changes, get site service updates and generate instant time and service reports in real-time ... without having to disrupt field productivity with phone calls. Review your paperwork — what information gets filled out and handed in but never used? Is it really necessary to track it?

Productivity waste:

We've all been there. It's the first snow event of the year. Drivers are lost, running behind, looking at maps and site instructions, and trying to figure out their routes in the middle of an event. Mistakes happen. We get called back out to fix missing areas or piles left in the wrong spots.

With a long-term focus on reducing the costs of waste, looking not just at the prices of improvement but the costs of not improving, I know you will find running your snow and ice business more simple, more rewarding, and ultimately, more profitable.



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